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Poultry and Products

Annual

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Report Highlights: The Italian poultry sector has faced a number of problems, beginning in 1999. The Belgium dioxin scandal in poultry resulted in a drop in poultry and egg consumption in June and July of 1999 of 38% and 27% respectively. Total Italian poultry meat production in 1999 was 1.2 million tons, or 1.5% below 1998 levels. There was an outbreak of avian influenza in March of 1999, which mainly hit turkey producers reducing production by over 5%. Another outbreak in the spring of 2000 resulted in the loss of over 13 million birds.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

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SECTION I. SITUATION AND OUTLOOK

POULTRY MEAT

General

The Italian poultry sector faced a series of negative circumstances in 1999 which are summarized as follows:

Dioxin - The Belgium dioxin scandal in poultry resulted in an alarmist consumer response despite the fact that poultry imports from Belgium are marginal: 22,000 birds in 1998, 10,000 birds in 1999 and 10,000 eggs per year in comparison with 1,250,000 chickens and 35 million eggs consumed every day in Italy. This resulted in a loss of \$200 million for the poultry sector as a consequence of:

- a drop in consumption of poultry and eggs in June and July of 1999 of 38% and 27% respectively
- a drop in real prices below the cost of production (a 67% drop for poultry and 24% for meat).

Total Italian poultry meat production in 1999 was 1.177 million tons, or 1.5% below 1998 levels. The breakdown of Italian poultry meat production was as follows:

671,500 tons of broiler meat (0.36% over 1998)
86,400 tons of hens (2.59% below 1998)
342,800 tons of turkey (5.09% below 1998)
76,200 tons of other poultry meat (0.39% below 1998)

As a result of the Belgian scandal, Italy had to destroy 4 million brooding eggs and to hold in stock 17,300 tons of poultry meat (16,000 tons of chicken, 1,000 tons of turkey, and 200 tons of hen).

Avian Influenza - There was an outbreak of avian influenza in March of 1999, which mainly hit turkey producers and reduced production by over 5%. Another outbreak in the spring of 2000 resulted in the loss of over 13 million birds. While some producers went out of business due to the losses, most of the major companies were able to recover quickly (9 companies represent 90% of the total turnover).

In 1999, Italy produced 12,660 million eggs (up 1.8% from 1998). The avian influenza occurrence in 1999 negatively affected Italian egg industry only in terms of prices. In fact, both production and consumption increased slightly due to a 9% drop in price level.

CONSUMPTION TABLE

MEAT CONSUMPTION KG PER CAPITA			
	Broiler Meat	Turkey Meat	Eggs
1995	11.3	4.6	207
1996	11.5	4.9	209
1997	11.4	5.1	210
1998	11.3	5.3	211
1999	11.2	5.1	213
2000	11.1	5.0	210

Source: Italian Poultry Industry Association

Italian consumption of poultry meat declined 1.5% in 1999 due to the problems described above. For 2000, a decline in poultry production and consumption is forecast due to an avian flu outbreak. However, a recovery for both consumption and output was reported in the beginning of summer 2000. During 1999, Italian egg consumption, which was less negatively affected by the dioxin scandal than was poultry consumption, increased 1.3 % from 1998 levels. However, a significant decline in egg production and consumption is forecast for 2000 due to the avian flu outbreak. According to the Italian Poultry Industry Association in 1999, shell egg consumption was 58% of total, whereas industrial consumption was 36% of total Italian egg consumption. More specifically, Italian food industry and manufacturers used 4.630 billion eggs (for products including pasta, ice cream and confectionary products), or 1.3 % more than in 1998.

PRICES

During 1999, the average wholesale price for broiler meat was 0.79 Euros/Kg live weight or 5% below 1998 level. For turkey, the average price was 1.0 Euros/Kg live weight or 9% over 1998 levels. The average price for eggs during 1999 was 0.6 euros per egg, or 9% less than in 1998.

TRADE

Italian trade of broiler meat remained stable in 1999. For 2000 a decline in broiler meat exports is forecast due to a reduced supply. Italian exports of turkey meat declined both in 1999 and again in 2000 due to reduced production, while Italian imports of turkey meat increased slightly in 1999 (and should remain stable in 2000). Italian egg and egg product exports increased in 1999 due to low prices whereas imports declined due to increased domestic supply. For 2000, a slight decline is expected for egg exports due to reduced production, but the egg trade makes up a minimal share of total Italian egg production.

MARKETING

Prepared poultry meat products (breaded, stuffed, and/or seasoned and ready to cook) and other consumer-ready poultry products continue to increase their market share in order to meet the demand of Italian consumers for new and convenient foods. The market share of these products is presently around 15-18%. The Italian poultry industry continues to invest in these high value products as well as in packaging innovations such as single servings and packaging marketed to children (i. e. cartoon shaped products). If U.S. poultry were to gain access into the EU market, opportunities for poultry products described above would abound.

SECTION II.

PSD TABLES

POULTRY MEAT

PSD Table						
Country	Italy					
Commodity	Poultry, Meat, Total				(1000 MT)(MIL HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	1135	1177	1197	1140	0	1170
Whole, Imports	6	7	6	7	0	7
Parts, Imports	14	14	14	14	0	14
Intra EC Imports	9	9	9	9	0	9
Other Imports	11	11	11	11	0	11
TOTAL Imports	20	21	20	21	0	21
TOTAL SUPPLY	1155	1198	1217	1161	0	1191
Whole, Exports	34	30	34	29	0	30
Parts, Exports	79	74	81	72	0	74
Intra EC Exports	98	90	100	88	0	90
Other Exports	15	14	15	13	0	14
TOTAL Exports	113	104	115	101	0	104
Human Consumption	1042	1094	1102	1060	0	1087
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	1042	1094	1102	1060	0	1087
TOTAL Use	1155	1198	1217	1161	0	1191
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1155	1198	1217	1161	0	1191
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

CHICKEN MEAT

PSD Table						
Country	Italy					
Commodity	Plty, Meat, Chicken -16 wks				(1000 MT)(MIL HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	627	671	667	650	0	670
Whole, Imports	4	5	4	5	0	5
Parts, Imports	7	6	7	6	0	6
Intra EC Imports	3	3	3	3	0	3
Other Imports	8	8	8	8	0	8
TOTAL Imports	11	11	11	11	0	11
TOTAL SUPPLY	638	682	678	661	0	681
Whole, Exports	19	18	19	17	0	18
Parts, Exports	19	18	19	18	0	19
Intra EC Exports	28	26	28	26	0	27
Other Exports	10	10	10	9	0	10
TOTAL Exports	38	36	38	35	0	37
Human Consumption	600	636	640	626	0	644
Other Use, Losses	0	10	0	0	0	0
Total Dom. Consumption	600	646	640	626	0	644
TOTAL Use	638	682	678	661	0	681
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	638	682	678	661	0	681
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

TURKEY MEAT

PSD Table						
Country	Italy					
Commodity	Poultry, Meat, Turkey				(1000 MT)(MIL HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	343	343	365	330	0	340
Whole, Imports	0	0	0	0	0	0
Parts, Imports	7	8	7	8	0	8
Intra EC Imports	5	5	5	5	0	5
Other Imports	2	3	2	3	0	3
TOTAL Imports	7	8	7	8	0	8
TOTAL SUPPLY	350	351	372	338	0	348
Whole, Exports	11	9	11	9	0	9
Parts, Exports	59	50	61	49	0	50
Intra EC Exports	62	53	64	52	0	53
Other Exports	8	6	8	6	0	6
TOTAL Exports	70	59	72	58	0	59
Human Consumption	280	292	300	280	0	289
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	280	292	300	280	0	289
TOTAL Use	350	351	372	338	0	348
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	350	351	372	338	0	348
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

POULTRY EGGS

PSD Table						
Country	Italy					
Commodity	Poultry, Eggs				(MIL HEAD)(MIL PCS)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Layers	58	58	60	60	0	60
Beginning Stocks	0	0	0	0	0	0
Production	12000	12660	12400	12450	0	12450
Hatch Eggs, Imports	6	4	6	6	0	6
Shell Eggs, Imports	270	306	270	270	0	270
Other Imports	224	188	224	224	0	224
Intra EC Imports	495	300	495	495	0	495
TOTAL Imports	500	498	500	500	0	500
TOTAL SUPPLY	12500	13158	12900	12950	0	12950
Hatch Eggs, Exports	15	15	15	15	0	15
Shell Eggs, Exports	45	36	45	35	0	35
Other Exports	140	189	140	185	0	185
Intra EC Exports	195	200	195	200	0	200
TOTAL Exports	200	240	200	235	0	235
Hatch Eggs, Consumption	730	738	730	740	0	740
Shell Eggs, Human	7020	7546	7400	7445	0	7445
Shell Eggs, OT. Use/Loss	0	4	0	0	0	0
Other Dom. Consumption	4550	4630	4570	4530	0	4530
Total Dom. Consumption	12300	12918	12700	12715	0	12715
TOTAL Use	12500	13158	12900	12950	0	12950
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	12500	13158	12900	12950	0	12950
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

TRADE MATRIXES

CHICKEN

EXPORT

Export Trade Matrix			
Country	Italy		
Commodity	Plty, Meat, Chicken -16 wks		
Time period		Units:	
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
United Kingdom	6000	United Kingdom	6000
Germany	4000	Germany	4000
Netherlands	3000	Netherlands	3000
Other EU	14000	Other EU	14000
Ukraine	3000	Ukraine	3000
Croatia	2000	Croatia	2000
Albania	1500	Albania	2000
Total for Others	33500		34000
Others not Listed	2500		2000
Grand Total	36000		36000

IMPORT

Import Trade Matrix			
Country	Italy		
Commodity	Plty, Meat, Chicken -16 wks		
Time period		Units:	
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
France	2200	France	2300
Hungary	4000	Hungary	4200
Brazil	3800	Brazil	4000
Total for Others	10000		10500
Others not Listed	1000		1000
Grand Total	11000		11500

EGGS

EXPORT

Export Trade Matrix			
Country	Italy		
Commodity	Poultry, Eggs		
Time period		Units:	
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Germany	50	Germany	61
Other EU	50	Other EU	60
Albania	70	Albania	86
Total for Others	170		207
Others not Listed	25		33
Grand Total	195		240

IMPORTS

Import Trade Matrix			
Country	Italy		
Commodity	Poultry, Eggs		
Time period		Units:	
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
Germany	90	Germany	88
Netherlands	100	Netherlands	97
France	140	France	135
Other EU	180	Other EU	175
Total for Others	510		495
Others not Listed	6		3
Grand Total	516		498

TURKEY

EXPORTS

Export Trade Matrix			
Country	Italy		
Commodity	Poultry, Meat, Turkey		
Time period		Units:	
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Germany	24000	Germany	21000
Spain	8000	Spain	8000
Belgium-Lux	7000	Belgium-Lux	6000
Other EU	18000	Other EU	16000
Total for Others	57000		51000
Others not Listed	8000		7000
Grand Total	65000		58000

IMPORTS

Import Trade Matrix			
Country	Italy		
Commodity	Poultry, Meat, Turkey		
Time period		Units:	
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
United Kingdom	2000	United Kingdom	2200
France	2000	France	2200
Other EU	1000	Other EU	1000
Hungary	1000	Hungary	1200
Total for Others	6000		6600
Others not Listed	1000		1400
Grand Total	7000		8000